



"Albaraka Turk's Unconsolidated Net Profit in 2023 Soars to TRY 3.43 Billion"

Malek Khodr Temsah, General Manager of Albaraka Turk, remarked, "The year 2023 marked a significant upturn in our financial performance and fortification of our balance sheet. Demonstrating robust growth, our bank achieved an unconsolidated net profit of TRY 3.43 billion, reflecting a remarkable 151% surge compared to the previous fiscal year."

Albaraka Turk significantly boosted its net profit to TRY 3.43 billion in 2023, indicating a striking 151% escalation over the preceding year. In tandem with this enhanced profitability, the bank further bolstered its asset quality by reducing the NPL ratio to 1.7% in FYE2023 from 1.9% in FYE2022, while augmenting the specific provision ratio from 88.7% to 95.2%. Adhering to prudent financial practices, the bank's total free provisions, including TRY 3.41 billion allocated in 2023, surged to a robust level of TRY 5.23 billion.

Throughout 2023, the bank increased total funded credits and collected funds by 44.6% and 43.6% respectively compared to the end of 2022. Aligning with the Central Bank's liraization initiative, the bank bolstered the presence of Turkish Lira assets within its balance sheet, elevating the TL share in total assets from 45% in 2022 to 53% as the year-end of 2023.

Increasing Profitability Strengthens the Capital Adequacy Ratio

Malek Khodr Temsah, stated, "In 2023, our bank's average return on equity surged from 21% at the year-end of 2022 to 32% as the year-end of 2023. Aligned with our vision for sustained profitability and growth, the enhanced capacity for profit generation has fortified our balance sheet, resulting in a robust capital adequacy ratio of 17.3% as of December 2023."

Commemorating the Republic of Türkiye's centenary, Temsah expressed heartfelt wishes for continued unity, solidarity, and enduring peace. He underscored Albaraka Turk's unwavering commitment to contribute tirelessly to the nation's economic advancement and the expansion of participatory finance.

Temsah remarked, "In early 2023, we confronted a devastating earthquake disaster that profoundly impacted us all. In the aftermath, we endeavored to stand by our fellow citizens affected by the earthquake to the best of our ability. My prayers go out to those who lost their lives in this tragic earthquake disaster, and I extend my deepest condolences to their families."

2023: A Year Marked by Achievements at Albaraka Turk

Continuing his remarks with the innovations Albaraka Türk made during the year, Temsah said, "In addition to the agreement we made with PTT last year, we started to offer services through more than 8,500 ATMs thanks to the cooperation we realized with Yapı Kredi regarding the use of ATMs. In line with our digitalization strategy, we accelerated our efforts to offer our traditional products through digital channels. In this context, in addition to "Jet Finansman", one of the digital products we offer to our commercial customers, we offered our customers the use of our insurance products and capital market transactions such as fund purchase/sale through digital channels."

Mentioning to the awards won in 2023, Temsah said, "2023 was again a year in which we crowned our achievements with awards. In the list prepared by Brand Finance, an international brand evaluation organization that selects Turkey's 100 strongest and most valuable brands every year, we rose one place compared to the previous year and

ranked 51st. In addition, as a result of the "Customer Experience Index" research conducted by Şikayetvar using more than 1.5 million data analysis, we were awarded the "Diamond" award in the field of participation banking at the 8th A.C.E. Awards."

Temsah emphasized achievements in financial technology, stating "As a result of our work in the field of financial technology, we were ranked among the most functionally innovative API platforms in the world in the Q1/2023 report of INNOPAY, an independent platform that evaluates the open banking platforms of banks around the world, and we were selected as Turkey's most innovative API Service Provider in the Banking category in 2023 by the UK-based Global Business Outlook."

Discussing the Albaraka Garage established to support innovative projects, Temsah noted, "We continue our activities in the entrepreneurial ecosystem through the Albaraka Garage. Thirteen startups participated in the 6th Albaraka Garage Pre-Acceleration Program in 2023, with seven selected to progress following the 'Demo Day' event. We remain committed to collaborating with entrepreneurs to foster their growth and make significant contributions to the industry. Leveraging insights from past experiences, we will continue to tailor our efforts to meet the needs of startups in the acceleration program and contribute to the entrepreneurial ecosystem."

Emphasizing the importance of sustainability, Albaraka Turk's CEO Malek Khodr Temsah remarked, "As a pioneer in sustainability among participation banks, Albaraka Turk has made significant strides over the past decade. Since 2015, we have contributed meaningfully to the Zero Waste Project and, since 2016, to the Carbon Disclosure Project (CDP). We are committed to enhancing our rating on Refinitiv, where we report for the BIST Sustainability Index, which we joined in 2019. In our sustainability efforts, we are preparing to comply with national standards announced in 2023, alongside international standards."

Temsah concluded up by stating, "Our commitment to sustainability will persist as we uphold our leading position among participation banks, with our ultimate aim being to reach the 'Net Zero' target. We remain steadfast in our dedication to this cause."

